

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AGRE-00 EB-07 CIAE-00 DODE-00 PM-04  
H-02 INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01  
SP-02 SS-15 USIA-15 AID-05 TRSE-00 SIL-01 LAB-04  
/086 W

-----090724Z 127435 /12

R 081819Z JUN 77  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 1733

UNCLAS SECTION 1 OF 2 LISBON 4555

PASS AGRIC/FAS AND ERS

E.O. 11652: N/A  
TAGS: EAID, PO  
SUBJ: AGRARIAN REFORM PROPOSAL

1. MINISTER OF AGRICULTURE ANTONIO BARRETO MADE PUBLIC JUNE 7 THE TERMS OF LONG-PROMISED AGRARIAN REFORM LEGISLATION THAT HAS BEEN CONSIDERED AT LENGTH AND APPROVED BY COUNCIL OF MINISTERS AND IS NOW BEFORE ASSEMBLY OF REPUBLIC FOR FURTHER DEBATE, POSSIBLE AMENDMENT, AND ENACTMENT INTO LAW. FAR-LEFT PARTIES HAVE BEEN ATTACKING ANTICIPATED PROPOSAL FOR SOME TIME AS QUOTE RETURN TO CAPITALISTIC AGRICULTURE UNQUOTE. TWO-YEAR-OLD LEGISLATION UNDER WHICH BIG ESTATES AND UNDER-UTILIZED RURAL PROPERTIES WERE SEIZED FOR COLLECTIVE FARMING PURPOSES IS SAID TO BE MERELY AN EXPROPRIATION LAW -- NOT TRULY AGRARIAN REFORM -- BECAUSE IT DEALS ONLY WITH BIG FARMS MOSTLY WITHIN SO-CALLED ZONE OF INTERVENTION IN THE ALENTEJO AND RIBATEJO PROVINCES.

2. NEW BILL CONSIDERS MINIFUNDIA AS WELL. ONE OF ITS MOST CONTROVERSIAL FEATURES IS LIKELY TO BE PROPOSAL TO BOOST GOP FORMULA FOR DETERMINING PROPERTIES SUBJECT TO SEIZURE FROM 50,000 POINTS (BASED UPON PRODUCTIVITY OF  
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LAND, ETC.) TO 70,000. IF APPROVED, THIS WOULD NARROW AGRARIAN REFORM BASE AND, OPPONENTS SAY, RESULT IN LEGAL TANGLES OVER LAND ALREADY TAKEN AWAY BESIDES EXPANDING AREAS TO WHICH FORMER OWNERS OR TENANTS MAY DEMAND RESERVE RIGHTS UNDER LAW.

3. BILL COMPRISES SEVEN CHAPTERS. FIRST THREE DEFINE

PRINCIPLES AND AIMS OF AGRARIAN REFORM POLICY. CHAPTER 4 ELABORATES ON LAND OWNERSHIP, INCLUDING AREAS LIABLE TO EXPROPRIATION AND RESERVE AS WELL AS LEGAL PROCESS AFFECTING THESE CHANGES AND PROVISIONS FOR ENLARGING MINI-FARMS, IN SMALL FARM AREAS (MOSTLY OUTSIDE PRESENT ZONE OF INTERVENTION), WITHOUT AFFECTING OWNERSHIP RIGHTS. CHAPTER 5 DEALS WITH TRANSFER AND RENT OF FARMLAND, CHAPTER 6 DEFINES DIFFERENT TYPES OF FARM ASSOCIATIONS AND GROUPS AND SERVICES, WHILE CHAPTER 7 CONCLUDES WITH GENERAL REMARKS INCLUDING PROMISE THAT PRESENT BASES FOR DETERMINING FARM POINT COUNT ADD OWNER INDEMNIFICATION WILL BE CHANGED AT LATER DATE.

4. PROJECT ESTABLISHES RESERVED AREA AT 70,000 POINTS, PROVIDED PRESENT OR FORMER OWNER, USER, OR TENANT HAS FORMED, FOR TWO YEARS PRECEDING DATE OF EXPROPRIATION, AN AREA EVALUATED AT NO LESS THAN 70,000 POINTS ON EXPROPRIATED LAND, AND PROVIDED THAT PRESENT OR SUBSEQUENT OWNER, USER, OR TENANT CONTINUES TO FARM AN AREA EQUAL IN SIZE TO THE RESERVED AREA. IF AREA FARMED DURING PRECEDING TWO YEARS RANGED FROM 35,000 TO 70,000 POINTS, THEN RESERVED AREA IS EQUAL IN SIZE TO FARMED AREA.

5. NO FARM UNIT OF LESS THAN 30 HECTARES MAY BE EXPROPRIATED. MAXIMUM LIMITS ARE ESTABLISHED FOR RESERVED AREAS, REGARDLESS OF POINT COUNT, VIZ: 350 HECTARES FOR LAND WITH SOILS CLASSIFIED AS A AND B, 500 HECTARES FOR LAND WITH ANY OTHER CLASS OF SOIL, 700 HECTARES FOR SPECIAL CASES.

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6. HOLDERS OF RESERVED AREAS ENJOY FULL TITLE TO AREA RESERVED SAVE WHERE RESERVE INFRINGES ON PROPERTY RIGHTS OF OTHERS ON EXPROPRIATED LAND AND MAKES THIS LAND UNECONOMIC TO FARM.

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INFO OCT-01 ISO-00 AGRE-00 EB-07 CIAE-00 DODE-00 PM-04

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FM AMEMBASSY LISBON

TO SECSTATE WASHDC 1734

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PASS AGRIC/FAS AND ERS

7. STATE HAS PRIORITY (FIRST OPTION) IN ACQUISITION OF EXPROPRIATED AREAS EXCEEDING 35,000 POINTS. PRICE OF THESE AREAS CANNOT EXCEED VALUE OF INDEMNIFICATIONS PAID TO DISPOSSESSED OWNER. STATE, PUBLIC INSTITUTIONS, SMALL FARMERS, COOPERATIVES, AND COLLECTIVE UNITS OF PRODUCTION ENJOY PREFERENCE IN RENTING RESERVED AREAS.

8. GOP MAY EXPROPRIATE ANY FARMLAND IN EXCESS OF TWO HECTARES WHICH HAS BEEN ABANDONED OR NEGLECTED FOR FIVE YEARS WITHOUT JUST CAUSE OR WHICH DOES NOT MEASURE UP TO ESTABLISHED MINIMUM OF ECONOMIC PROFITABILITY. PRODUCE OF EXPROPRIATED FARMS BELONGS TO FARM OPERATOR UNTIL EXPROPRIATION BECOMES EFFECTIVE. OWNER OF LAND SEIZED BY MINISTRY OF AGRICULTURE AND FISHERIES (MAF) FOR PUBLIC USES STILL HAS RIGHT OF RESERVE.

9. PROPOSED LEGISLATION ENCOMPASSES MINIFUNDIA AREAS AND AIMS AT EXPANSION AND IMPROVED PROFITABILITY OF MINI-FARMS WITHOUT AFFECTING OWNERSHIP RIGHTS OF SMALL FARMERS. THIS IS TO BE ACHIEVED BY PROVIDING INCENTIVES FOR FORMATION OF MARKETING COOPERATIVES, BY RENTING  
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CONTIGUOUS LANDS OR FARMS, BY LAND RECONVERSION, AND BY OTHER GOP ENCOURAGEMENT.

10. LAND RENT IS IMPORTANT SECTOR OF REFORM BILL. EXPROPRIATED AND NATIONALIZED RURAL LANDS WILL BE TURNED OVER FOR OPERATION TO SMALL FARMERS OR TO WORKERS IN COLLECTIVE UNITS. MAF WILL DETERMINE AREA ALLOCATED TO EACH FARM UNIT OR ENTERPRISE. RENTAL CONTRACTS FOR TWO HECTARES OR MORE MUST BE IN WRITING, MUST BE FOR AT LEAST SIX YEARS RENEWABLE FOR THREE YEARS THEREAFTER, EXCEPT IN CASE OF INDEPENDENT FARMERS OPERATING INDIVIDUALLY OR WITH UNPAID HELP, WHERE INITIAL AND RENEWAL PERIODS ALIKE CANNOT EXCEED ONE YEAR. ONLY CO-OWNERS OR CO-HEIRS ARE GIVE PREFERENCE

OVER CURRENT TENANT IF FARM IS OFFERED FOR SALE.  
ONLY STATE OR PUBLIC INSTITUTIONS MAY SUBLEASE RENTED  
LAND.  
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## Message Attributes

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